HIGH ISLAND PRICES:
A Study of Consumer Costs on Martha's Vineyard and Nantucket

Commonwealth of Massachusetts

Executive Office of Consumer Affairs and Business Regulation

SEPTEMBER 1984

This report involved gathering and analyzing a great deal of data. We would like to thank all the people listed in the report who agreed to talk with us, and I would like to give special thanks to the Division of Standards, Jane Golden and Sarah Wald in my office.

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September 12, 1984

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I. INTRODUCTION

For years, residents of Martha's Vineyard and Nantucket have complained about high prices on the island. They have protested that the costs of beer, coffee, gasoline and other commodities were higher than on the mainland. On July 2, 1984, representatives of the Executive Office of Consumer Affairs and Business Regulation met with residents and officials on the Vineyard, and heard once more the complaints about the high prices. That was the impetus for this report.

The purpose of studying the prices on the islands was not necessarily to uncover illegal activities or intentional wrongdoings.* Instead, it seemed helpful to collect in one place as much information as possible on the reasons for high island prices. By examining all the factors which can cause higher prices, island residents and officials can develop policies which could lead to an improved price situation. We have made some recommendations for action in this report.

II. HOW THE STUDY WAS CONDUCTED

This study has been conducted in several ways. First, during the week of July 20-27, 1984, prices were collected for a variety of basic consumer goods: milk, eggs, butter, margarine,

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*Of course, business can always take advantage of a situation and act in a manner which leads to prices higher than those justified by natural and economic circumstances. To the extent that we find any suggestion of illegal practices, we will refer that evidence to the Attorney General. The Attorney General's Antitrust Division has investigated alleged illegal business practices on the islands in the past, and will continue to do so.

dog food, disposable diapers, coffee, beer, wine, gasoline and home heating oil. These prices were collected for almost all retail outlets on Nantucket and Martha's Vineyard. Then prices were checked in three locations on the mainland: Falmouth, Hyannis and Brockton and used as comparisons. We chose Falmouth and Hyannis because, like the islands, they have a large summer "vacation population." We chose Brockton because it is a residential area with an economy that does not change noticeably with the seasons. The results showed that overall, prices were 21% higher on the islands than on the mainland. These price comparisons appear in chart form at Appendix 1.

In addition to the price comparisons, we conducted interviews with people involved in distribution and sales on the islands. We also interviewed several leading economists in Massachusetts to discuss our findings and recommendations. A list of the people interviewed appears in Appendix 2. The results of these interviews appear in the text of the report.

Please note that price surveys were only conducted in the summer. It is possible that summer prices on the islands are higher than winter prices, both because the summer vacation market will bear higher prices, and because businesses may feel they need to make their profits while the population is high. It would be useful to survey prices in winter to act as a comparison, but we felt it would be beneficial to release the information we have gathered so far at this point.

III. CHARACTERISTICS OF THE FIVE AREAS IN WHICH PRICES WERE SURVEYED

A. Nantucket*

Nantucket is a small island, only 50 square miles. It is one town and one county. All sections of the island (Siasconset, etc.) are officially considered to be in the town of Nantucket. The year round population of the island is 7,000 but the population expands during the summer months to 30,000. Income data collected during the 1980 census, which is the most updated information available, registered the average median family income at $21,542. The average income in Nantucket was the largest of the five areas in which the price survey was conducted. According to the records of the Massachusetts Department of Commerce and Development, the Nantucket population has been experiencing growth for the last 15 years. The year-round population grew from 3,774 in 1970 to 5,087 in 1980. The year-round population continued to rise from 5,087 in 1980 to approximately 7,000 in 1984.

B. Martha's Vineyard**

Martha's Vineyard is three times the size of Nantucket, 150 square miles. Martha's Vineyard is part of Dukes county and is divided into seven towns: Chilmark, Edgartown, Oak Bluffs, Gay Head, Tisbury, West Tisbury, and Vineyard Haven. The year-round

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*Sources: Nantucket Planning and Economic Commission
Nantucket Chamber of Commerce
Massachusetts Department of Commerce and Development

**Sources: The Martha's Vineyard Commission
The Martha's Vineyard Chamber of Commerce
Massachusetts Department of Commerce and Development

population is 10,000 and grows to 60,000 during the summer months. The average median family income registered during the 1980 census was $16,471. The average income in Dukes county is the lowest of the five areas covered in the price survey. Gayhead has the lowest average median family income in the state at $6,630. Martha's Vineyard has also experienced growth in the last 15 years. The year-round population grew from 6,117 in 1970 to 8,942 in 1980. The year-round population continued to rise from 8,942 in 1980 to 10,000 in 1984.

C. Brockton*

Brockton is a geographically small city in Plymouth county, only 21.37 square miles. However, it has a very large population. In 1979 the population of Brockton was 95,172, in 1984 it has been estimated at 98,000. The average median family income registered during the 1980 census was $18,606. Brockton is the fastest growing major city in the Commonwealth. Between 1970 and 1980 the population grew by 6.9%. Fourty-eight percent of all the population growth which took place in Massachusetts between 1970 and 1980 was in Brockton.

D. Falmouth**

Falmouth is a town in Barnstable county which is divided into eight small villages. Falmouth is close in size to Nantucket island at 44.52 square miles. Falmouth is known as the population center of Upper Cape Cod with a population of

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*Source: Regional Chamber of Commerce, Brockton

**Sources: The Falmouth Chamber of Commerce
Cape Cod Planning and Economic Development Commission

23,640. The average median family income was registered at $18,898.

E. Hyannis*

Hyannis is one of the seven villages which make up the town of Barnstable. The town of Barnstable is in the county of Barnstable. Barnstable is a geographically large town, 60.16 square miles. The population in the village of Hyannis is about a third of the population of the whole town at 11,381. The average median family income in Barnstable is $19,208.

IV. GENERAL CHARACTERISTICS RELATED TO PRICES ON THE ISLANDS

While talking with retailers on the islands, several general factors were mentioned repeatedly as contributing to high prices. These factors involve characteristics of doing business on an island. Specific factors relating to individual products will be discussed below, but first it is helpful to look at conditions which generally affect all those doing business on the island:

A. Transportation

The first factor which immediately comes to mind as the cause of higher island prices is transportation. Because there are limited ways to get products to the islands - by air or by sea - costs of delivery are higher than on the mainland. This is a factor which relates to all products sold on the island,

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*Sources: Cape Cod Chamber of Commerce
Barnstable Town Hall - Town Clerk's Office
Cape Cod Planning and Economic Development Commission

although our study suggests that higher prices cannot be attributed solely to transportation. (See further discussion p.11-12)

B. Seasonal Economy

High prices are also related to the fact that both islands have a "seasonal economy." The population of Nantucket grows from 7,000 year-round to 30,000 in the summer and the population of Martha's Vineyard expands from 10,000 to 60,000. This dramatic fluctuation in the population between seasons has a significant effect on the island economies. Many vendors on both islands told us they rely on the three months of the summer season to make the profits they need to stay in business year-round. Vendors explained that it is very difficult to keep year-round staff and recoup money which has been invested in equipment, etc. without generating large profits at one point in the year. Some economists said that this was a legitimate reason for raising prices. There is a delicate balance to maintaining enough stores to accomodate the summer population while not operating so many that the slow season forces them out of business.

C. Property Costs and Taxes

Many people in the business community said that the cost of buying or leasing property on the islands is high. Many also said that property taxes are high. Vendors said that many times these property costs must be passed along as higher prices to consumers.

However, according to information collected from the Massachusetts Department of Revenue the tax rate on the islands is not higher and in fact is much lower than the tax rate in many cities on the mainland. A chart comparing tax rates is illustrative:

Community	Tax Rate*
Nantucket	6.90
Chilmark	3.45
Edgartown	7.30
Gay Head	5.56
Oak Bluffs	11.85
Tisbury	9.88
West Tisbury	4.61
Barnstable	13.31
Brockton	23.21
Falmouth	12.58

This indicates that high taxes are not a cause of higher prices.

Of course property taxes are only an issue for those who own their property. Most businesses on the islands lease their property. Rental information is much harder to determine. But, rents could be higher on the islands.

D. Labor

Many business representatives said that the cost of labor on the islands is high and these labor costs lead to high prices. Vendors mentioned three factors which they said cause high labor

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*The fiscal year 1984 tax rate in dollars per thousand of valuation.

costs; 1) the need to maintain a core staff in the off-season months when profits are not necessarily great enough to cover costs, 2) the need to hire temporary staff to handle the influx of people during the summer months, and 3) the need to pay high wages to offset the high cost of living on the islands for their employees.

Our office gathered data from the Massachusetts Division of Employment Security (DES) which leads us to question the claim that labor costs are unusually high on the islands. For purposes of comparing the five areas used in the price survey we collected information from DES which organizes wage statistics by county and by "labor area." We compared the average quarterly wage paid out during the summer months in Nantucket county (Nantucket island), Dukes county (Martha's Vineyard), Barnstable county (Hyannis and Falmouth), and in the "labor area" of Brockton.

	Summer	Winter
Area	AQW* 1983-3	AQW* 1983-4
Nantucket	$3,106	$3,628
Dukes	2,712	3,190
Barnstable	2,958	3,317
Brockton	3,749	3,950

These figures show that the average quarterly wage on Nantucket ($3,106) during the third quarter of 1983 was higher than that paid in Barnstable county ($2,958), during the same quarter. However, Nantucket's average quarterly wage was lower

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*Average Quarterly Wage

than that paid in the Brockton area. The average quarterly wage during the third quarter of 1983 in Dukes county was the lowest of all areas surveyed. This information shows that wages are not necessarily higher on the islands than on the mainland. Of course a detailed analysis of wages for particular categories of jobs is needed before any definite conclusions can be drawn.

The second claim that the need to hire temporary staff in the summer months leads to unusually high labor costs is also questionable. The total wages paid out in Dukes county decreased from $14,746,050 during the summer to $11,277,977 in the winter. The number of people employed also dropped from 5,436 in the summer months to 3,535 in the winter. However, the average quarterly wage rose from $2,712 in the summer to $3,190 in the winter. This same pattern was discernable in Nantucket. The total wages decreased from $13,490,408 in the summer months to $9,260,891 in the winter. The number of people employed dropped from 4,342 in the summer months to 2,552 in the winter. However, again the average quarterly wage rose from $3,106 in the summer months to $3,628 in the winter.

On both islands the number of people employed dropped after the summer season; however, individual salaries were higher in the winter than in the summer. This probably means that the seasonal jobs added on in the summer are low paying jobs.

The third factor cited by business representatives, that the need to maintain a core staff in the off-season when profits are not necessarily great enough to cover costs causes financial hardship, could be true. Business profits on the islands are not

as great in the winter as they are in the summer, and the need to carry a core staff through the slow season could put a strain on already low profits.

E. Scarcity of Storage Space

Another factor mentioned repeatedly as leading to increased charges to consumers was the lack of available storage space on the islands. Because storeowners do not have large storage facilities, they cannot buy in bulk and get the accompanying discounts given to large purchasers. Also, because they cannot store large quanties, business owners are subject to the variations in the market everytime they return to purchase goods. This situation may lead to higher prices for consumers.*

V. SPECIFIC PRODUCTS

A. Groceries: Coffee, Milk, Eggs, Butter,Margarine, Disposable Diapers, Dog Food

In general, prices were higher on the islands than they were on the mainland. When prices on the mainland (Falmouth, Hyannis and Brockton) were compared to prices on the islands, island grocery prices were found to be 17% higher. When Brockton was factored out and the island prices were compared only to the Cape, island prices were still found to be 15% higher. (See Appendix 3)

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*However the opposite was cited as true for fuel oil. Fuel dealers noted that because wholesalers must buy in bulk, they may be tied to a high fuel price for a long time. See p.19.

Grocery prices were compared at stores on the islands and mainlands. Three grocery stores on Nantucket were surveyed: A&P, Finast, and Best Buys. Seven grocery stores on Martha's Vineyard were surveyed: Vineyard Haven A&P, Edgartown A&P, Cronig's Main Street, Croning's State Road, Reliable Market, Edgartown Market, and the Up Island Market. The prices at the larger stores on each island, (the A&P and Finast on Nantucket, the two A&P stores and the Reliable Market on Martha's Vineyard) were compared to the prices at large grocery stores on the Cape and in Brockton. (See Appendix 1-A) Six grocery stores were surveyed on the Cape: Falmouth A&P, Falmouth Stop & Shop, Falmouth Angelos, Hyannis Angelos, Hyannis Stop & Shop, and Hyannis Heartland. Three grocery stores were surveyed in Brockton: Stop & Shop, Purity Supreme and Shaws.

Island grocery store owners were asked why they thought prices were higher. Many reasons were cited: high labor costs, high property taxes, high freight costs charged by the Steamship Authority (SSA), high property values which lead to large mortgage payments, "the seasonal economy", convenience services such as delivery and charge accounts, higher prices charged by distributors to the islands, and lack of storage space.

Representatives of the grocery industry most often cited transportation costs as the cause of higher grocery prices on the islands. Many people specifically mentioned the rates charged by the SSA as the cause of higher prices. However, the SSA did an analysis of freight rates from Woods Hole to Martha's Vineyard in

June, 1984 which suggests that high grocery prices are caused by factors other than transportation rates alone. The analysis prepared by the SSA compared prices of grocery items at the A&P in Falmouth to prices at the Vineyard Haven A&P. Out of 47 items surveyed, all but 6 were priced higher at the Vineyard Haven A&P. The difference in the prices at the two stores was then compared to the average freight rate per item, and in all cases the freight rates were much lower. (See Appendix 4)

One industry representative has an explanation why transporation costs would result in significantly higher prices. Earl Meyer, Vice President of Merchandising for the A&P Northeast Regional Group, noted that although prices on <u>some</u> products in the island store may be higher, not <u>all</u> are. Therefore, the cost to transport the items which are priced the same in both stores must be made up in higher prices on certain other items.

Still another factor to consider is that the rates charged by the SSA are not the only transportation expenses incurred by the business community on the islands. The two A&P stores on Martha's Vineyard are a case in point. The A&P stores on the Cape and islands are both supplied by Cohen and Saul (C&S), a wholesale distributor of grocery products in Brattleboro, Vermont. Transportation expenses, or "cartage charges," for the Falmouth A&P end when the C&S truck arrives at the store. However, grocery products going to the A&P stores on Martha's Vineyard must be delivered to the SSA ferry in Woods Hole. From Woods Hole other costs are incurred. A tractor and driver of the

Carroll's trucking company, an island delivery service, meets the C&S trailer, drives it on to the ferry, drives it off the ferry, and delivers the groceries to the island stores, one in Vineyard Haven and one in Edgartown. The empty C&S trailer must then be driven back to the ferry in Vineyard Haven, transported on and off the ferry, and driven up to the parking lot in Falmouth. The A&P is only charged one round-trip fare by the SSA to have the tractor and trailor transported by ferry. This fare includes only the weight of the freight and not that of the tractor-trailer itself. (See Appendix 5) No additonal fee is charged to bring the empty tractor-trailer back to the mainland. However, the A&P still has to pay Carroll's trucking company for the service of bringing the empty trailer back to the mainland.

Smaller grocery stores on Martha's Vineyard incur even greater transportation costs than the A&P because they have to pick up grocery products directly from the distributor's warehouse. Smaller store owners lease a truck from an island trucking company and have their groceries picked up from a mainland distributor. Many of the smaller stores use the Star Market warehouse in Norwood, Massachusetts. Other distributors used are Roger Williams Company in Providence, Rhode Island, Sweet Life in Somerville, Connecticut, and Kressey Dockham in Andover, Masschusetts, all of which are a good distance from Woods Hole. The smaller stores on the islands will always be higher priced than the large chain stores, just as they are on the mainland, because small stores do not have the capacity to buy in large volume and sell at discounted prices. They often do

not have either the capital to invest in volume buying at discounted prices or the storage space to keep large volume inventories.

At this time we have no way of knowing whether these added transporation costs are high enough to make up the full 15 - 17% difference in grocery prices on the islands. According to industry representatives, grocery stores operate on a very small, 2% profit margin. This would mean, though, that transportation costs had to be 13 - 15% higher on the islands, a significant amount.

B. <u>Beer and Wine: Budweiser, Miller, Michelob, Heineken, Molson, Almaden White Mountain Chablis, Carlo Rossi Burgundy</u>

Overall, the price of beer was not found to be significantly higher on the islands than it is on the mainland. In fact there were some stores on the islands which sold beer at lower prices than some stores on the mainland. However, there were substantial differences between island prices and mainland prices on the two jug wines surveyed. On the average, island wine prices were 36% higher and differentials ran as high as $5.15 for a 3 liter bottle of wine. (See Appendix 1-C)

There are ten liquor stores on Nantucket but only seven on Martha's Vineyard. There are only two towns on Martha's Vineyard (Oak Bluffs and Edgartown) which are allowed to sell beer, wine or liquor; the other towns on the island are "dry." This fact in itself limits competition, competition which might drive prices down. In addition, three of the liquor stores on Martha's Vineyard; Harborside, Our Market, and Vineyard Wine and Cheese

Shop are all owned by the same family.*

The sale of beer and wine is somewhat different than the sale of other commodities. By law (G.L. c. 138, §25A, et seq.) the wholesale price of beer and wine is set at the beginning of each month. A liquor wholesaler files its prices with the Alcoholic Beverages Control Commission (ABCC) on the fifth of the month for the following month. Wholesalers have five days to amend their prices, based on competition. Prices may only be amended down, though. These prices are published in the Massachusetts Beverage Journal. It is legitimate for wholesalers to increase the listed price at which it sells to retailers for delivery costs. Many wholesalers list different beer prices according to what county it will be sold in. Prices for Dukes and Nantucket county were higher in all cases.

According to industry representatives, there are several reasons why island liquor prices are higher. First, transportation costs add to the price. Most wholesalers pay $.50 - .70 per case to private trucking firms to take liquor to the island, according to Samuel Stone, Executive Director of the Wine and Spirits Wholesalers of Massachusetts. Stone says that the trucking firms are "pretty competitive" in terms of prices charged to the liquor wholesalers.

*In October, 1980 the Attorney General's Office entered into a settlement agreement with several liquor stores on Martha's Vineyard. The agreement, which arose out of anti-trust allegations that prices were being fixed between liquor stores on the island, stipulated that $11,000 be paid by the parties to be held in escrow by the Attorney General's Office.

In addition, beer and wine prices are high because island retailers do not discount prices. Many liquor store owners told us they do not buy in bulk, which would allow them to buy at a discounted wholesale price and sell at a lower price, because they are afraid of being stuck with a large inventory through the winter months. Also some retailers undoubtedly know they have a "captive" population and because retailers want to make as much money as possible during the short summer season, there is not much impetus to offer discounts as most mainland stores do. These uniform sales at full price result in higher overall costs to consumers.

C. Fuel Oil and Gasoline

1. Fuel Oil

Fuel oil is one product which has little direct competition on the islands, and this lack of competition results in higher prices. (See Appendix 1-B) There is competition indirectly through alternative sources of energy; wood, propane gas, and electricity.* However, these alternative sources of energy do not represent enough competition on the islands to bring fuel oil prices down.

a. Martha's Vineyard

The three home heating oil retailers doing business on Martha's Vineyard; ABC Oil Company, Wells Oil Service and R.M. Packer Company reported the same price during the week of the survey; $1.15 per gallon. The state wide average retail price

*Of course, conservation is also a way to fight higher prices.

for home heating oil was $1.11 in July.* The price of oil on Martha's Vineyard was 3.6% higher than the state wide average and 5% higher than mainland prices.

As of July, 1984 Martha's Vineyard has only one supplier of oil products, the Ralph M. Packer Company. On July 9th the Packer Company, a Texaco wholesaler, bought the Campbell Oil Company, which had been a Mobil wholesaler. The purchase of Campbell Oil gives Packer control of the distribution of all Texaco and Mobil products and ends any direct competition which existed on the island.

The R.M. Packer Company sells oil products in various forms. First it sells wholesale home heating oil to the ABC Oil Company and Wells Oil Service. Second, it sells retail home heating to its customers, and finally, it sells wholesale gasoline to all service stations on the island. In addition, the Packer Company has the contract for aviation fuel on both Martha's Vineyard and Nantucket. Oil representatives described an agreement that had been set up where Wells Oil Service would sell only in Edgartown, ABC Oil Company would sell only in Oak Bluffs, and Packer would sell to all other parts of the island.

When Ralph Packer, President of R.M. Packer Company was asked why prices were higher on Martha's Vineyard he cited a number of reasons; transportation costs, maintenance and rehabilitation of terminals in line with environmental regulations governing the shore line, conservation, high wages,

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*Source: The Executive Office of Energy Resources

and general high prices on the island. The Packer Company owns the barge which travels down from Martha's Vineyard to the Texaco terminal in Providence, R.I. to pick up oil products. The company is presently building a new barge to transport aviation fuel and gasoline. Mr. Packer reported that all equipment (docks, barges, storage tanks, buildings, etc.) is expensive to build and maintain on the island and accounts for a large part of his overhead. Mr. Packer also noted that the movement towards energy conservation has cut into his sales (25% reduction since 1973) and forced him to raise his prices.

b. Nantucket

Nantucket is also supplied by one distributor of oil products, Harbor Fuels, a Mobil distributor. Harbor Fuels sells wholesale gasoline to all the service stations on the island and home heating oil to all residents. The July price of Harbor Fuel's home heating oil was $1.22 per gallon, 10% higher than the state wide average and 11% higher than mainland prices. When asked why the price of oil products was so high on Nantucket, Robert Caldwell, President of Harbor Fuels, cited many of the same reasons given by the Packer Company, such as transportation, maintenance of an environmentally sound marine terminal, and conservation. However, there are significant differences in the companies on the two islands which lead to different costs.

Harbor Fuels leases its marine terminal from Sherman Associates and pays to have the oil products transported up to Nantucket from Port Mobil in Staten Island, New York.
Mr. Caldwell noted that higher prices sometimes come as a result

of buying in large quantities. Mr. Caldwell explained that he must buy and store large quantities of oil products, especially in the winter, so that there is enough supply when bad weather prevents Mobil from making a delivery. If oil is purchased at one price and the price of oil subsequently drops, the oil which has been stored in the tanks must be sold at a higher price, reflecting its purchase price, until that pool of oil is gone. Mr. Caldwell pointed out that Nantucket residents benefit from the system of buying in large quantities when the price of oil begins to rise and the pool in the tanks is sold at the lower price.

c. Propane Gas

There are two propane gas dealers on Martha's Vineyard: Island Gas and Estrella Gas. Island Gas, along with Tony Yates Welding and Gas, also supplies propane to Nantucket. Mickey Furtado of Island Gas said that although the number of homes on the islands which heat with propane is relatively small, propane does represent competition to fuel oil and could become an even more effective competitor.

Mr. Furtado reported that he had recently won a "big battle" with the Steamship Authority and is now allowed to have propane shipped in bulk rather than in its cylinder form. Bulk propane is less expensive and more cost efficient than cylinder propane.

This change in policy by the SSA will undoubtedly help make propane a more viable competitor of fuel oil, and could help stabilize prices.

The county buildings on Martha's Vineyard are all heated with fuel oil. Since there is now only one supplier of fuel oil on the island (R. M. Packer Company) there is no competition for the contract to heat the buildings. However, if the county buildings were supplied with dual conversion burners, that could heat with either fuel oil or propane gas, there would be some competition for the supply of heat to the buildings.

2. Gasoline

Gasoline was priced significantly higher on the islands even though there is some competition among retailers. Five service stations were surveyed on Nantucket: D&B Auto Service, Egan Brothers, Hatch's, Island Spirits and Siasconset Market. Ten service stations were surveyed on Martha's Vineyard: Tisbury Texaco, Island Transport, Depot Corner, Dockside Mobil, Edgartown Texaco, Menemsha Texaco, Ben David Motors, Graves, DeBettencourt's, and Up Island Service. (See Appendix 1-D)

The price of regular gasoline was 25% higher on the islands than on the mainland. There is a larger wholesale and retail mark-up on the islands, than is normally found on the mainland. There are no self-service stations on either island nor are there any stations which offer cash discounts.

One reason for the great mark-up in gasoline prices is undoubtedly the nature of the seasonal economy on both islands. Other reasons cited by service station owners as the causes of high prices were: high prices from distributors (both Packer and Harbor Fuels), high labor costs in the summer, and high property values. Mr. Packer reported maintenance of the service stations

as part of his costs, supplying new pumps and new lighting. Harbor Fuel, however, does not supply this service to the gas stations on Nantucket.

VI. OPTIONS FOR ACTION

What can be done about the high prices on the islands? Most people to whom we talked seemed resigned to the fact of high prices. While it is true that there are unavoidable costs to living on an island - transportation, high property values, lack of storage - we believe there are some approaches which might lower prices:

A. Increased Competition: More Businesses

One approach which immediately comes to mind is to try to increase the number of businesses operating on the islands in order to create competition which would lower prices. Some of the economists to whom we spoke felt that if the island could support more businesses, those businesses would exist already. But this may not be true, because of the isolated nature of the islands. We understand that there is a delicate balance to maintaining enough stores to accommodate the summer population while not operating so many that the slow winter season forces them out of business. However, it seems worthwhile for island officials to try to increase the number of businesses, or at least study further if their numbers could be increased.

One simple way to attract businesses would be to advertise in trade journals. An add placed by the county commissioners could invite business owners to set up shop on the islands, and extol

the virtues of island living. The ad could even explain that its purpose is to increase competition and lower prices.

Related to this would be moves by officials to adopt incentives for new businesses. These incentives could include property tax breaks for the first few years of a new business' operation, or the island government's buying property to lease to new businesses at reasonable rates. Any other actions aimed at encouraging new business could help.

B. Increased Competition: Between Current Businesses

There might also be ways to increase competition between businesses already on the islands.

First, a simple way to foster competition would be to have the island newspapers regularly print price surveys for certain products. For example, the price of gasoline at each service station could be printed weekly so that consumers would know which was the least expensive and patronize that station. The same could be done with groceries. This would also create an incentive for businesses to keep prices low.

Second, officials could hire an economist or other consultant to do a market study of conditions on the island and determine how to improve the price situation.

Third, island officials could hold a fact-finding public hearing to evaluate ways to lower prices. Both the public and business respresentatives could come to testify, and factors such as transportation and labor costs would be under public scrutiny. There could be an attempt to get a clearer breakdown of what exact costs could be attributed to different factors.

There would also be an opportunity for both consumers and business owners to suggest ways to improve the situation.

Finally, island officials could help reduce labor costs, cited by business owners as a cause for high prices. Businesses said they had to hire more people in the summer to service the summer population. To make this task easier, officials could set up a summer job clearinghouse and publicize it to college students and other summer job seekers on the mainland. This would help the businesses by making their summer hiring easier, reducing their administrative costs, and increasing the available labor pool.

C. Citizen Action

A way for consumers to fight high prices on the islands is to become less dependent on the businesses with high prices. There are a number of resources available which island residents could use to creatively combat high prices. (See Appendix 6)

1. Co-ops

An approach which would take some effort, but which might lower costs to consumers, would be the formation of consumer cooperatives ("co-ops") for different products. Co-ops work by joining together a number of individuals so that they share the benefits of buying goods in bulk at discounted prices, and share the costs of distribution and delivery.

A food co-op probably has the best chance for success on the islands. In addition, some consumers in the state have even set up fuel co-ops. The People's Energy Resource Cooperative (PERC) is a non-profit community organization based in Framingham,

established to help people lower their energy costs. PERC has set up a heating oil co-op, which locates reliable dealers willing to sell oil and service to its members at reasonable prices. PERC uses the combined purchasing power of its members to bid down the retail price of fuel oil.

It might be very difficult to form a fuel co-op on the islands because of the small population base and the lack of available competition.

2. Conservation

One way to avoid high island prices on gasoline and fuel oil is conservation. Conservation is helpful to citizens everywhere, but particularly useful on an island with high prices. There are a number of existing groups to help island residents conserve energy.

"Mass-Save" is a non-profit organization sponsored by Massachusetts electric and gas utilities and authorized by state law and regulations. For $10.00, Mass Save will come to your home and do an "energy audit" to analyze your options for energy savings.

PERC offers conservation/weatherization materials and alternative energy products to its members at wholesale prices. This is possible through bulk purchasing. PERC is affiliated with a statewide "Energy Federation" consisting of four other community organizations which promote energy conservation. The members of the Energy Federation have greater purchasing power than a single organization, and are able to keep their prices low. In addition to selling products to its members, PERC also

provides information, equipment and training on how to "do-it-yourself" to achieve greater energy self-sufficiency and lower fuel and utility bills.

A local organization is the Cape and Islands Self-Reliance Corporation, a community based non-profit group also involved in energy issues. Their energy financing program, "Help," provides subsidies and low interest loans for energy conservation improvements and is open to all residents of the Cape and islands. They have a weatherization bulk purchasing program and a Community Garden Network. They have been trying to get island residents more involved in their programs and are eager for more citizen involvement on the islands.

In addition, on Martha's Vineyard there is the Energy Resources Group. The Energy Resources Group is a private non-profit group which meets to discuss energy issues pertinent to the island. In the past they have sponsored workshops, disseminated energy information, conducted solar home tours, and offered themselves as consultants on the island. It is a group of people interested in networking and sharing ideas.

Island residents interested in combatting high prices through sound energy policies and conservation should contact one or all of these groups. (See Appendix 6)

D. <u>Last resort: Buy Outside of the Islands</u>

If none of the above methods work to lower prices, a drastic move would be to buy as much as possible on the mainland. It might not be economical in terms of time or money to go across to the mainland every week to buy groceries. However, it might be

economical to fill a car with groceries once a month, or even for several people to join in renting a truck or van to be filled with groceries to be brought back to the islands. In addition, vacationers could be told that it makes sense to bring groceries or liquor with them.

These measures are not beneficial to the island business community, but they might lead business to look very closely at their prices and see if they could be lowered.

VII. CONCLUSIONS

Prices for consumer goods are significantly higher on Martha's Vineyard & Nantucket than on the mainland. We are not necessarily saying that profits for all those companies are higher, but prices are.

We do not represent that this study definitively lays out all the causes of high island prices. As we discussed, there is a need for further explanation into the reasons and solutions for these prices. However, it is useful to analyze the facts described above. A brief analysis indicates that some of the reasons cited by businesses cannot be substantiated, and that it is necessary to study further many of the factors detailed here.

Business representatives to whom we spoke repeatedly mentioned their external costs - transportation, labor, and property taxes - as reasons why prices are high. Our preliminary analysis shows that these external costs are not as high as suggested, and in some cases are lower than comparative costs on the mainland.

As mentioned above, the steamship authority did a study of transportation costs, and found the average cost to be lower than the price differentials. Transportation costs did not make up the full 15-17% difference in grocery prices that we found. (See p.11-12)

Initial information indicates that labor costs, too, could be lower on the Vineyard & Nantucket than in Brockton, Hyannis and Falmouth. (See p.7-10)*

In addition, property tax rates were significantly lower on Nantucket & Martha's Vineyard than in most other parts of Eastern Massachusetts. (See p.6-7)

These comparisons raise important questions about high island prices. If some external costs are generally lower than on the mainland, why are consumer prices higher?

In connection with this, there were other variations in reasons cited by businesses for higher prices. For example, oil distributors said prices were high because they had to buy in bulk; while grocery representatives said prices were high because they could not buy in bulk, although admittedly they are different types of products. Also, some business representatives said labor costs were high because they had to hire more help in the summer, while others said labor costs were high because they had to keep on people in the winter. This indicates not that businesses were intentially fabricating reasons, but that these

*As discussed above, though, there is a need to look at more specific comparative information to come to final conclusions on labor costs.

circumstances which are felt to lead naturally to higher prices are not so clear when analyzed closely, and may be open to challenge and to change.

First, people seem uniformly to assume that island prices will be high. When discussing our findings, most of the people interviewed took it for granted that prices would be higher because of "transportation". As this report indicates, transportation is not the only reason for high consumer costs. But this points up a complacency about high prices which is widespread. If people took a closer look at actual costs and questioned prices more, perhaps this would cut into price inflation.

Another issue to consider is the convenience factor. Because the islands are host to high numbers of vacationers, a "resort" atmosphere exists in which vacationers will accept high prices. They do not want to spend their leisure time comparison shopping for the lowest prices. They will support higher priced stores which are convenient.

This acceptance (however reluctantly) of high costs might be changed by adopting some of the recommendations in this report, particularly sponsoring a detailed market survey, and making available to the public price surveys on a regular basis. These measures might suggest to wholesalers and retailers that their prices are being watched, and their reasons for charging high prices scrutinized.

This report has suggested some ways to attack higher island prices - co-ops, fact-finding hearings, encouraging competition

through price surveys. These are not the only ways to help the situation and are not guaranteed to result in major changes. But, the analysis here indicates that high prices are not automatically caused by external forces which cannot be influenced. There is room to alter some of these higher prices, and we hope this report will be the first step.

Appendices

APPENDIX 1-A

	Nantucket A&P	Nantucket Finast	Martha's Vineyard: Vineyard Haven A&P	Martha's Vineyard: Edgartown A & P	Martha's Vineyard: Reliable Market	Falmouth A & P	Falmouth Stop&Shop	Falmouth Angelos	Hyannis Angelos	Hyannis Stop&Shop	Hyannis Heartland	Brockton Stop&Shop	Brockton Purity Supreme	Brockton Shaws
Eggs														
White Large store brand 1 doz	1.05	1.19	1.09	1.12	N/A	N/A	0.99	0.99	0.99	0.99	0.99	0.99	1.07	0.99
Brown Ex Large store brand 1 doz	1.19	N/A	1.29	1.23	1.29	1.15	1.15	1.15	1.15	1.15	1.09	1.07	1.09	1.03
Brown Large store brand 1 doz	1.15	1.15	1.19	1.17	N/A	1.09	1.09	1.05	1.09	1.09	N/A	1.05	1.07	0.99
Butter/Margarine														
Land O Lakes sweet cream lightly salted 1 lb	2.09	2.39	2.09	2.09	2.39	1.85	1.85	1.85	1.85	1.85	1.83	1.89	1.89	1.89
Store Brand sweet cream lightly salted 1 lb	1.99	1.99	1.97	1.99	2.09	1.69	1.69	1.69	1.69	1.69	1.69	1.79	1.79	1.79
Kraft Parkay Margarine 1 lb	0.85	.89	0.85	0.85	0.79	0.69	0.57	0.57	0.57	0.57	0.48	0.59	0.59	0.59

	Nantucket A&P	Nantucket Finast	Martha's Vineyard: Vineyard Haven A&P	Martha's Vineyard: Reliable Market	Edgartown A&P	Falmouth A&P	Falmouth Stop&Shop	Falmouth Angelos	Hyannis Angelos	Hyannis Stop&Shop	Hyannis Heartland	Brockton Stop&Shop	Brockton Purity Supreme	Brockton Shaws
Disposable Diapers														
Pampers - Day/Night Toddlers 48 in a box	9.55	9.75	9.55	10.69	9.55	9.09	NA	8.99	8.99	8.99	N/A	N/A	N/A	N/A
LUVS - Day/Night 32 in a box	9.49	9.49	N/A	9.99	N/A	9.25	8.49	9.25	9.25	N/A	N/A	8.19	8.19	8.19
Kleenex Huggies Large 33 in a bag	9.55	9.55	N/A	N/A	9.49	9.25	8.99	8.99	8.99	N/A	N/A	8.29	8.29	8.29
Dog Food														
Purina Dog Chow dry 5 lbs.	2.59	2.59	2.59	2.65	2.59	1.99	1.99	1.99	1.99	1.99	N/A	2.19	2.39	2.29
Ken L Ration canned 6 pack	2.09	2.29	2.09	2.35	2.09	1.99	1.99	1.99	1.99	1.99	1.87	N/A	1.89	1.89
Gaines Gravy Train dry 5 lbs.	2.79	2.79	2.79	2.89	2.79	2.69	2.79	2.79	2.79	2.79	N/A	2.19	2.19	2.19

APPENDIX 1-A

	Nantucket A&P	Nantucket Finast	Martha's Vineyard: Vineyard Haven A&P	Martha's Vineyard: Oaks Bluffs Reliable Market	Edgartown A&P	Falmouth A&P	Falmouth Stop&Shop	Falmouth Angelos	Hyannis Angelos	Hyannis Stop&Shop	Hyannis Heartland	Brockton Stop&Shop	Brockton Purity Supreme	Brockton Shaws
Coffee														
Maxwell House regular grind 16 oz.	2.69	2.69	2.69	2.89	2.69	2.59	2.59	2.59	2.59	2.59	2.49	2.29	2.29	2.29
Chock Full O Nuts-regular grind 16 oz.	2.79	2.69	2.79	2.89	2.79	2.69	2.69	2.69	2.69	2.69	2.49	2.29	2.35	2.29
Sanka - freeze dried instant decaf. 4 oz.	3.39	3.39	3.39	3.29	3.39	3.19	3.19	3.19	3.19	3.19	N/A	2.95	2.95	2.95
Milk														
Regular - store brand 1/2 gallon	1.18	1.52	1.17	1.43	1.17	0.94	0.94	0.94	0.94	0.94	0.89	0.96	0.96	0.79
Lowfat - Nuform (1% milk fat 1 oz) quart	N/A	N/A	0.81	0.81	0.83	0.65	N/A	0.61	N/A	1.19	1.17	N/A	0.63	0.65

APPENDIX 1-B

Home Heating Oil Distributors

	Nantucket: Harbor Fuel	Martha's Vineyard: ABC Oil Company	Martha's Vineyard: R.M. Packer Company	Martha's Vineyard: Wells Oil Service
Home Heating Oil (per gal)	1.22	1.15	1.15	1.15

Falmouth

	P.S. Ideal Fuel Co.	Wright-Jennings	Wynne	Cape & Oil Co.	Costa's Islands	
Home Heating Oil (per gal)	1.09 1.04 (cash)	1.12 (Falmouth) 1.17 (Osterville to the end of the Cape)		1.10 1.05 (if paid w/in 7 days)	0.99 (Bridge to Yarmouth) 1.03 (rest of cape)	1.08 1.03 (C.O.D.)

Home Heating Oil Distributors

Hyannis

	Nelson Coal	Scudder & Taylor	Hubbard	Atwood	Tucker Town
Home Heating Oil (per gal)	1.10 1.06 (if paid w/in 5 days)	1.11 (Hyannis) 1.09 (Upper Cape) 1.15 (Lower Cape)	1.07 1.02 (cash)	1.07 1.02 (cash)	1.05 1.00 C.O.D.

Brockton

	Plymouth County Oil	Trojan Oil	Archie's Oil	Niccoli Bros. Oil
Home Heating Oil (per gal)	1.15 1.13	0.97 0.87 (cash)	1.09	1.12 (cash) 1.92

APPENDIX 1-C

	Nantucket Liquor & Package Stores						Nantucket Liquor & Package Stores				Martha's Vineyard Liquor & Package Stores						
	Best Buys	The Islander	Island Spirits	Nantucket Wine & Spirits	Sconset Book Store	Haley's Liquors	Hatch's	Murray's	Ryder's	Pleasant St. Variety	Al's	Harborside	Jim's	Our Market	Tony's	Vineyard Wine & Cheese Shop	Edgartown Market
Budweiser (6 pack)	3.55	3.65	3.60	3.70	3.80	3.65	3.70	3.85	3.70	3.60	3.70	3.70	3.65	3.70	3.70	3.70	4.00
Michelob (6 pack)	3.75	3.80	3.85	3.95	4.00	3.90	3.85	4.05	3.85	3.90	3.95	3.85	3.80	3.85	4.40	3.85	4.40
Heineken (6 pack)	4.70	4.40	4.70	4.70	5.55	5.35	4.70	5.10	5.20	5.40	5.55	5.55	5.50	5.50	5.60	5.50	5.70
Molson's Golden (6 pack)*	4.19	4.15	4.40	4.55	4.55	4.55	4.30	4.60	4.70	5.25	4.55	4.60	[illegible]	4.65	4.40	4.60	4.95
Almaden White Mountain Chablis (3 liter)	N/A	9.95	N/A	N/A	10.65	9.70	8.95	10.35	11.05	N/A	11.15	10.10	9.65	11.15	N/A	10.05	N/A
Carlo Rossi Burgandy (4 liter)	N/A	N/A	7.70	N/A	8.50	7.95	7.90	N/A	7.95	8.25	8.25	8.55	8.75	8.35	N/A	8.25	N/A

	Hyannis Liquor & Package Stores							Falmouth Liquor & Package Stores						Brockton Liquor & Package Stores				
	Hyannis Package Store	Mall Liquors	Airport Liquors	Sears Liquors	Charlies Package Store	Parkers Discount Liquors	Ten Acres	John's	Liquor Discount Center	The Bottle Shop	Falmouth Liquor Mart	George's Liquor	Blanchards	J & L	Wine Rack	Ashland Liquors	Nemos	Beer & Wine Keg
Budweiser (6 pack)	3.65	3.65	3.70	3.45	3.65	3.60	3.95	3.90	3.20	3.90	3.60	3.90	3.50	3.40	3.50	3.50	3.55	3.40
Michelob (6 pack)	3.85	3.95	3.90	3.60	3.80	3.70	4.15	4.15	3.00	4.10	3.85	4.15	3.79	3.55	3.65	3.65	3.65	3.65
Heineken (6 pack)	5.55	5.55	5.50	4.70	5.45	5.20	5.80	5.50	5.25	5.55	5.55	5.45	5.25	4.85	5.25	5.30	4.90	4.95
Molson's Golden (6 pack)	4.60	4.60	4.50	4.45	4.45	3.95	4.65	4.60	4.50	4.75	4.60	4.90	4.49	4.35	4.40	4.40	4.20	3.95
Almaden White Mountain Chablis (3 liter)	8.20	6.99	6.99	6.25	7.99	5.99	8.29	7.95	6.99	7.99	8.59	7.99	6.79	N/A	N/A	N/A	N/A	N/A
Carlo Rossi Burgundy (4 liter)	5.99	6.99	5.99	N/A	6.49	4.99	5.99	5.99	5.99	7.49	5.99	5.99	N/A	5.99	N/A	N/A	N/A	5.99

Appendix 1-D

Nantucket Gas Stations

	D&B Auto Service	Egan Brothers	Hatch's	Island Spirits	Sconset Market
Regular (per gal)	1.38	1.38	1.35	1.36	1.42
No-Lead (per gal)	N/A	N/A	N/A	N/A	N/A
Super Premium No-Lead (per gal)	1.49	1.49	1.45	1.46	1.52
Diesel Fuel (per gal)	1.53	N/A	1.45	N/A	N/A

Martha's Vineyard Gas Stations

	Menemsha Texaco	Ben David Motors Texaco	Graves Texaco	DeBettencourt's Mobil	Up Island Service Mobil	Tisbury Texaco
Regular (per gal)	1.39	1.37	1.33	1.37	1.35	1.38
No-Lead (per gal)	1.42	1.40	1.36	1.39	1.38	1.41
Super Premium No-Lead (per gal)	1.45	1.43	N/A	1.45	1.43	1.45
Diesel Fuel (per gal)	1.50	1.45	N/A	1.50	1.38	1.47

Martha's Vineyard Gas Stations

	Island Transport Mobil	Depot Corner Mobil	Dockside Mobil	Edgartown Texaco
Regular (per gal)	1.38	1.37	1.35	1.38
No-Lead (per gal)	N/A	1.40	1.38	1.41
Super Premium No-Lead (per gal)	1.45	1.45	N/A	1.46
Diesel Fuel (per gal)	N/A	1.44	N/A	1.45

Hyannis Gas Stations

	Getty	Shell	Amoco	Texaco	Old Colony	BP	Sunoco	Exxon	Mobil
Regular (per gal)	1.07	1.23 FS 1.07 SS	1.06	1.14	1.03	1.03	1.00	1.09	1.05
No-Lead (per gal)	1.15	1.33 FS 1.17 SS	1.14	1.22	1.09	1.09	1.09	1.19	1.11
Super Premium (per gal)	1.24	1.49 FS 1.35 SS	1.34	N/A	1.17	1.17	1.25	1.34	N/A
Diesel Fuel (per gal)	N/A	N/A	1.21	1.25	N/A	N/A	N/A	N/A	N/A

Falmouth Gas Stations

	Sunoco	Citgo	Exxon	Texaco	BP	Old Colony	Getty	Mobil
Regular (per gal)	1.19 FS 1.05 SS	1.04	1.13 cash 1.18 credit	1.18 FS 1.11 MS	1.11	1.04	1.12	1.24 FS 1.09 MS
No-Lead (per gal)	1.29 FS 1.16 SS	1.12	1.21 cash 1.25 credit	1.27 FS 1.20 MS	1.21	1.12	1.25	1.33 FS 1.19 MS
Super Premium (per gal)	1.45 FS [illegible] SS	N/A	1.37	1.37 FS 1.30 MS	1.39	1.25	N/A	1.44 FS 1.34 MS
Diesel Fuel (per gal)	[illegible]	N/A	N/A	[illegible]	N/A	N/A	N/A	N/A

Brockton Gas Stations

	Sunoco	Shell	Arco	BP	Mobil	Amoco	Merit	Getty	Gulf
Regular (per gal)	1.09	1.29 FS 1.05 SS	0.97	1.09	1.11	1.14 Cr 1.10 C	0.99	1.09	1.09
No-Lead (per gal)	1.18	1.37 FS 1.14 SS	1.04	1.14	1.19	N/A	1.06	1.13	1.18
Super Premium (per gal)	N/A	1.47 FS 1.36 SS	1.16	1.26	1.27	1.31 Cr 1.27 C	1.18	1.25	1.29
Diesel Fuel (per gal)	N/A	N/A	N/A	1.19	1.28	N/A	1.21	N/A	N/A

FS = Full Serve

SS = Self Serve

Cr = Credit

C = Cash

Appendix 2
List of People Interviewed/Consulted

Robert Caldwell*	President Harbor Fuels, Nantucket
Karleton E. Case*	Professor of Economics Wellesley College
Freeman Chase*	Food Broker Mordechai Chase, Boston
Mickey Furtado*	Island Gas, Martha's Vineyard
Mary Beth Gentlemen	Assistant Secretary Executive Office of Energy Resources
Anthony Grosso	Chief, Property Tax Bureau Department of Revenue
Ruphus Lester	Stop & Shop, Boston
Paul Levy	Economist Chairman, Department of Public Utilities
Sam Mandel	General Counsel Stop & Shop, Boston
George McCarthy	Chairman, Alcoholic Beverages Control Commission
Earl Meyer*	Vice President, Merchandising A & P Northeast Regional Group
Harry O'Hare*	Food Broker Johnson O'Hare, Boston
Wayne Oliver	Senior Economist Executive Office of Energy Resources
Ralph Packer	President R. M. Packer Co., Martha's Vineyard
Douglous Seward	Associate R. M. Packer Co., Martha's Vineyard
Robert M. Solow*	Professor of Economics Massachusetts Institute of Technology
Sam Stone*	President Wine & Spirits Wholesalers of Massachusetts

*phone interview

APPENDIX 3

	How Much Higher Island Prices are than Mainland Prices (Falmouth, Hyannis & Brockton	How Much Higher Island Prices are than Cape Cod Prices (Falmouth & Hyannis)
Groceries	15%	17%
Home Heating Oil	8%	7%
Gasoline	23%	25%
Jug Wine	35%	36%
All Items	20%	21%

APPENDIX 4

PRICE COMPARISON

A & P SUPERMARKETS
VINEYARD HAVEN vs FALMOUTH

June 2[illegible], 198[illegible]

	V.Haven	Falmouth	Diff.	SSA Avg. Frt. Rate Per Item
1. MILK: 1/2 Gal. - A&P Brand	$ 1.17	.99	$ .18	$ .03[illegible]
2. [illegible] 1 Doz. - Grade A [illegible]	1.2[illegible]	1.09	.12	.018
3. [illegible]	[illegible]	[illegible]	.20	.008
Store [illegible]	1.9[illegible]	[illegible]	[illegible]	.008
4. MARGARINE: 1 Lb. - Land [illegible]	[illegible]	[illegible]	.40	.008
Store [illegible]	[illegible]	.47	.08	.008
5. KELLOGG'S CORN FLAKES: [illegible]	[illegible]	.9[illegible]	[illegible]	.006
6. [illegible] - 8 [illegible]	[illegible]	[illegible].79	[.10]	.06[illegible]
7. CHEESE: [illegible] - 1[illegible] [illegible]	[illegible]	[illegible]	.10	.006
8. COFFEE: Instant - Taster's Choice - 4 O[illegible]	[illegible]	[illegible].39	.1[illegible]	.00[illegible]
[illegible] - [illegible] - 1 Lb.	[illegible]	[illegible].59	.10	.008
9. [illegible] - A&P Brand	1.9[illegible]	[illegible].79	.20	.04
10. TEA BAGS: [illegible] - 100 [illegible]	[illegible]	[illegible].79	.6[illegible]	.00[illegible]
[illegible] - 100 [illegible]	1.3[illegible]	[illegible] Stocked]	-	-
11. [illegible] - 7 O[illegible]				
[illegible] Water]	1.[illegible]	[illegible].39	.2[illegible]	.004
Store Brand - [illegible]	1.1[illegible]	.75	.44	.00[illegible]
12. [illegible]	[illegible]	[illegible].39	.10	.01[illegible]
[illegible]	1.[illegible]	[illegible].15	.24	.01[illegible]
13. [illegible]	[illegible]	.59	.0	.008
[illegible] - 1 Lb.	.9[illegible]	.99	.[illegible]	.008
14. PEPSI-COLA: 2 Liters	1.2[illegible]	[illegible].29	.[illegible]	.03[illegible]
15. COCA-COLA: 2 Liters	1.2[illegible]	[illegible].29	.0	.03[illegible]
16. CRACKERS: Ritz - 16 O[illegible]	1.7[illegible]	[illegible].79	.[illegible]	.008
Saltines - Nabisco 16 Oz.	1.1[illegible]	[illegible].29	[.1[illegible]]	.008
17. CAMPBELL'S TOMATO SOUP: 10-3/4 O[illegible]	.2[illegible]	.30	[.01]	.005
18. ICE CREAM: [illegible] - 1/2 [illegible]	3.[illegible]	[illegible].95	.74	.032
19. TOOTHPASTE: Crest - [illegible]	[illegible]	[illegible].29	.0	.00[illegible]
A&P Brand - [illegible]	[illegible]	1.29	.0	.00[illegible]
20. [illegible]	[illegible]	[illegible].75	[.8[illegible]]	.00[illegible]
A&P Brand [illegible]	1.3[illegible]	1.39	.0	.00[illegible]
21. JELLY: Welch's Grape - 20 O[illegible]	1.3[illegible]	1.29	.0[illegible]	.010
Store Brand - 16 O[illegible]	.8[illegible]	.79	.10	.008
22. [illegible]: Florida 4 [illegible]	.99	.89	.10	.01[illegible]
23. [illegible]: 1 [illegible]	.8[illegible]	.89	.0	.014
24. [illegible] - 2 Lbs.	1.55	1.29	.26	.016
Store Brand - 2 Lbs.	1.29	1.09	.20	.016
25. [illegible] JUICE:				
Concentrate - Minute Maid - 12 Oz.	1.49	1.09	.40	.006
- Store Brand - 12 Oz.	1.09	.89	.20	.006
Prepared - Minute Maid - 1/2 Gal.	1.99	1.59	.40	.032
- Stop & Shop Brand - 1/2 Gal.	1.59	1.39	.20	.03[illegible]
26. PEANUT BUTTER: Skippy - 18 O[illegible]	1.9[illegible]	1.67	.3[illegible]	.00[illegible]
[illegible] - 18 O[illegible]	1.2[illegible]	1.29	.0	.009
27. [illegible] (per Lb.)	.7[illegible]	.78	.0	.008
28. [illegible] (per Lb.)	.89	.89	.0	.008
29. GROUND BEEF: Extra Lean (per Lb.)	2.29	2.39	[.10]	.008
Lean (per Lb.)	1.[illegible]	1.79	[.10]	.008
[illegible]: Top Round - 1st Cut (per Lb.)	[illegible]	2.39	.0	.008
[illegible] - (per Lb.)	[illegible]	2.09	.0	.00[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

APPENDIX 5

SECTION 2.
TRUCK, TRAILER AND OTHER COMMERCIAL VEHICLE RATES

Item No.		Between WH & VH or OB	WH or HY & NT	NT & VH or OB
200	COMMERCIAL VEHICLES (Including Trucks, Pickups and Panel Vans) registered as a commercial vehicle. One way fare includes vehicle and load, but does not include driver.			
	(1) May 15 to Oct. 14, Incl.			
	Less than 16'	2250	4750	4750
	16' but less than 20'	2700	5150	5150
	20' but less than 32'	3950	7450	7450
	32' and over	7050	13350	13350
	Oct. 15 to May 14, Incl.			
	Less than 16'	1300	3250	3250
	16' but less than 20'	1500	3650	3650
	20' but less than 32'	2400	5500	5500
	32' and over	4250	9800	9800
	PLUS			
	(2) Unit charge, if any, for any vehicle under 20' that is over 6'6" in height.	375	650	650
	(3) Rate per 100 lbs. of freight or personal property except personal baggage.	111	149	149

NOTE: Commercially registered self-propelled vehicles under 20' overall length and not carrying freight or personal property - except personal baggage in either direction, shall be eligible for 1-day and 1-8 day round trip rates as defined in MDPU No. F-40.

Agricultural and construction self-propelled vehicles having a gross weight exceeding 10,000 lbs. will pay $2.00 per 1,000 lbs. between WH and VH or OB; or NT and WH or HY or OB on such excess of gross weight.

Item No.		Between WH & VH or OB	WH or HY & NT	NT & VH or OB
205	AUTO TRAILERS (Towed by ball, hook or ring hitch). Does not include semi-trailers with disc hitch or tandem trailers. Rates are one way and do not include driver or passengers.			
(A)	Not Over 6'6" In Overall Height			
	(1) Rate per foot of overall length			
	May 15 to Oct. 14, Incl.	150	305	305
	Oct. 15 to May 14, Incl.	85	175	175
	PLUS			
	(2) Weight Charge - per 100 lbs. of gross weight exceeding 200 lbs. per foot of charged length.	90	165	165
(B)	Over 6'6" in Overall Height			
	(1) Rate per foot of overall length			
	May 15 to Oct. 14, Incl.	190	390	390
	Oct. 15 to May 14, Incl.	110	230	230
	PLUS			
	(2) Weight Charge - Per 100 lbs. of gross weight exceeding 200 lbs. per ft. of charged length.	90	165	165

NOTE: Livestock trailers under 20' in overall length (empty or carrying livestock as it's primary load) may, at customer's option, travel at the same rate as would a passenger automobile not over 6'6" in height or under 20' in length. Livestock trailers 20' or over in overall length would be charged as per the above rates.

SECTION 3.
DEFINITION AND RATES FOR GROUP D VEHICLES

GROUP D DEFINITION:
At customer's option, vehicles carrying or declaring the following net load minimum weight may be classified as Group D and be charged a round trip (limited to seven days) rate (driver included) based on net loading weight.

GROUP D VEHICLE QUALIFICATIONS

(a) Minimum Net Loading Weight for Vehicle Length:

Overall Length (Vehicle & Load)		Minimum Net Loading Weight
Less than 25'	-	9,000 lbs. net loading
25' but less than 32'	-	11,000 " " "
32' " " " 38'	-	13,000 " " "
38' " " " 46'	-	16,000 " " "
46' " " " 57'	-	22,000 " " "
57' and over	-	30,000 " " "

(b) Net weight carried or declared must be equal to at least one-half of tare weight. (Tare weight includes all installed or normally carried equipment.)

GROUP D VEHICLE RATES:
When freight vehicles carry the minimum loads specified above, rates published below will include the transportation of the vehicle and driver from point of origin to destination and return, provided that the return of the empty vehicle is made within seven (7) consecutive days following and in addition to the date of the going trip:

RATES - CENTS PER 100 LBS. NET CARGO

	Between WH & VH or OB		Between WH, HY or VH & NT	
	"All Freight" Class I - V	Fresh Milk or Cream	"All Freight Class I - V	Fresh Milk or Cream
0 - 11,999 lbs.	111	85	149	114
12,000 - 19,999 lbs.	87	82	117	105
20,000 - 27,999 lbs.	67	65	89	87
28,000 - 35,999 lbs.	62	59	84	80
36,000 and over	59	53	79	70

For each class or commodity included, its actual (or if higher, the declared) weight shall be charged for at the rate indicated for that class or commodity at that weight category. If more than 36,000 lbs. is carried or declared, the total aggregate net weight shall determine the "weight category" applicable to each class of freight included. Any excess of declared weight over actual will be considered to be in the "All Freight" Class.

SECTION 3. (Continued)
DEFINITION AND RATES FOR GROUP D VEHICLES

RATES APPLICABLE TO FREIGHT ON GROUP D VEHICLES
TABLE OF COMMODITY RATES

Rates in Cents Per 100 Lbs. Net Cargo

Item No.	Commodity	From: VH or OB to WH	From: NT to WH or HY
315	Fresh Fish Shellfish (shucked or in shell - See Note 1 Lumber	39	55

Item No.	Commodity	Between: WH & VH or OB	Between: WH or HY & NT
330	Brick Cement Blocks Cement Coal Cordwood Curbstone Fertilizer General or Poultry Feed Grain Hay Lime Mulch Slate Sphagnum Moss -For vehicles carrying brick, cement blocks, cement, coal, fertilizer, lime, slate and curbstone, the load per foot of vehicle length must be at least 150% of Group D qualifying minimum on Page 14.	48	58
335	Scrap, having value for remelting purposes or reclaimation of raw material only: Iron, Steel, Copper, Rubber, Paper and Rags. Whole Auto Bodies Crushed Boulders Crushed Stone Gravel Sand Road Salt -For vehicles carrying boulders, crushed stone, gravel, sand or road salt - the load per foot of vehicle length must be at least 150% of Group D qualifying minimum on Page 14.	34	38

NOTE 1: Ice - trucks transporting fish or shellfish from Nantucket to Woods Hole or Hyannis, under Group D rates for minimum net lading weights on Page 14, will be authorized to carry ice on the return trip to Nantucket at $2.95 per ton of lading.

NOTE 2: Trucks transporting new hulls from Martha's Vineyard to Woods Hole - will be charged $1.90 per foot of overall length. Rate will include transportation of the vehicle and driver round trip.

NO GROUP D VEHICLE WILL BE CARRIED ROUND TRIP FOR LESS THAN TWICE THE ONE WAY AUTOMOBILE RATE PLUS ROUND TRIP PASSENGER FARE.

Appendix 6

Citizens Action Resource List

- "Finding Co-ops: A Resource Guide and Directory"
  The National Consumer Co-operative Bank
  Department 32
  1630 Connecticut Avenue, NW
  Washington, D.C. 20009

- Mass-Save
  131 State Street
  Boston, MA 02109
  1-800-632-8300

- People's Energy Resource Cooperative (PERC)
  36 Concord Street
  Framingham, MA 01701
  617-872-4853

- Cape and Islands Self-Reliance Corporation
  P.O. Box 28
  Hyannis, MA 02601
  617-775-9016

- Energy Resource Group
  693-3479